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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, SEPTEMBER 27, 1999

APPLICATION OF

ROBERT A. WINNEY,  
d/b/a THE WATERWORKS COMPANY  
OF FRANKLIN COUNTY

CASE NO. PUE990613

To change rates and charges  
pursuant to the Small Water  
or Sewer Public Utility Act

DISMISSAL ORDER

On August 20, 1999, Robert A. Winney, d/b/a The Waterworks Company of Franklin County ("Waterworks Company " or "Company"), filed with the Commission's Division of Energy Regulation a notice of change in rates and charges pursuant to the Small Water or Sewer Public Utility Act, §§ 56-265.13:1 through 56-265.13:7 of the Code of Virginia. According to the notice, the Waterworks Company proposed to increase its quarterly rate for service from \$67.50 to \$80.50, effective October 1, 1999. The Company also proposed to establish a service-connection fee and increase its availability fee, effective on the same date.

The Commission's Staff moved to dismiss the application on September 1, 1999. In support of its motion, the Staff contended that the Waterworks Company had implemented an increase in rates and charges on January 1, 1999, in Case No.

PUE980811. According to the Staff, the proposed increase in rates and charges effective October 1, 1999, is contrary to the prohibition on more than one increase within a 12-month period contained in § 56-265.13:6 B of the Code of Virginia.

Upon consideration of the motion, the Commission finds that this matter should be dismissed. The language used by the General Assembly in § 56-265.13:6 B is clear and without qualification. A small water utility such as the Waterworks Company may implement a change in rates under the Small Water and Sewer Utility Act but once in a 12-month period. Since the Company initiated a change in January 1999, it is barred from implementing another change in October 1999. The application must be dismissed without prejudice to the Company filing an application for a change in rates effective on or after January 1, 2000.

It has come to the Commission's attention that the Company's notice of the change in rates confused some customers about the payment date for service. The copy of the Company's notification to customers filed with the Division of Energy Regulation is dated August 13, 1999. The first paragraph provides information on the proposed rates, which would have become effective on October 1, 1999. The final sentence, however, reads, "Any payment not received by the 10<sup>th</sup> of the month will be charged 1 1/2% per month or 18% per year interest

will be added to the outstanding balance." The Commission's Division of Energy Regulation received inquiries from customers about whether this language required payment by September 10, 1999, to avoid a late payment charge. It also appears from information provided to the Division that some customers made payments of \$80.50 by September 10.

In Application of Robert A. Winney d/b/a The Waterworks Company of Franklin County, Case No. PUE980811, Final Order of April 15, 1999 (Document Control No. 990430003), the Commission prescribed a rate of \$67.50 for the fourth quarter of 1999 and for all succeeding quarters until the rate is revised as provided by law. Since the application for an increase has been dismissed, the Waterworks Company may not charge a higher rate. The Commission will direct the Company to make promptly appropriate refunds to all customers that may have overpaid for service. Accordingly,

IT IS ORDERED THAT:

(1) The notice of change in rates and charges received by the Commission's Division of Energy Regulation on August 20, 1999, be docketed as an application, be assigned Case No. PUE990613, and that all associated papers be filed therein.

(2) The Commission Staff Motion to Dismiss be granted and that the application be dismissed from the Commission's docket.

(3) On or before October 15, 1999, the Waterworks Company shall refund to any customer the difference between a payment for the fourth quarter of 1999 reflecting the proposed rate of \$80.50 and the proper payment reflecting a rate of \$67.50; such refund shall be by check made payable to the customer.

(4) On or before October 22, 1999, the Waterworks Company shall file with the Clerk of the Commission, c/o Document Control Center, State Corporation Commission, P.O. Box 2118, Richmond, Virginia 23218-2118, a report of the refunding ordered in (3) above; this report shall include the name and address of the customer receiving the refund, the amount of the refund, and the refund check number.

(5) Insofar as practicable, the Office of General Counsel shall mail a copy of this order to every customer of the Waterworks Company.